GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:3605
ANSWERED ON:18.12.2006
DEFICIT IN EMPLOYEES PENSION SCHEME
Mohite Shri Subodh

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Trade Union have made suggestion on the burgeoning deficit in the Employees Pension Scheme, 1995 in their recent meeting with the Government;

(b) if so, the details thereof; and

(c) the reaction of the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (c): A meeting of representatives of Central Trade Unions was held with the Hon`ble Chairman, Central Board of Trustees, Employees` Provident Fund on 16.11.2006 to suggest remedial measures for curbing the increasing actuarial valuation deficit.

Mainly, the measures suggested by the representatives of the Central Trade Unions were:

? The vesting age of pension be increased from 58 to 60 years but without application of reduction factor if pension is claimed at the age of 58 years,

? Contribution rate be raised from 12% to 15% (share of both employee`s and employer`s contribution).

? The Government contribution be enhanced.

So far, no recommendations on these suggestions have been made by the Central Board of Trustees, Employees` Provident Fund to the Government.